



MARKET AT A GLANCE



OCCUPANCY RATE **94.9%**
Unchanged since 3Q16



ASKING RENT **\$1,469**
Up **3.4%** since 3Q16



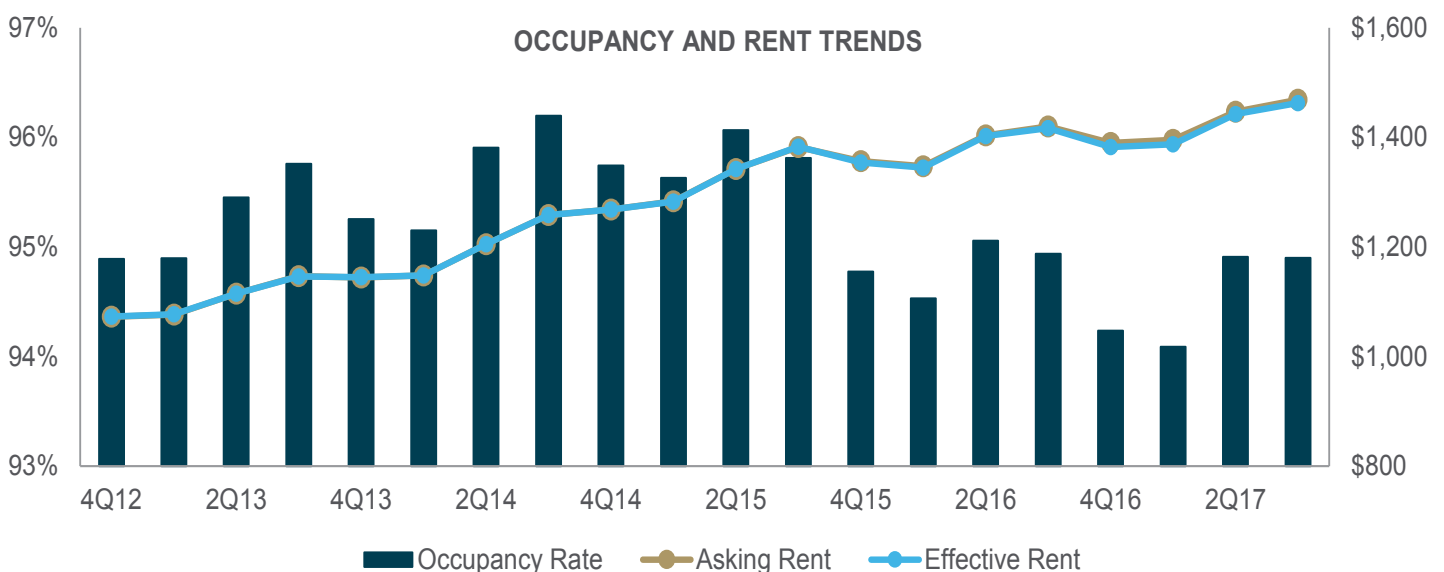
CONCESSIONS **0.4%**
Unchanged since 3Q16

OCCUPANCY AND RENT TRENDS

RENT RISES 3.4% AS OCCUPANCY REMAINS ELEVATED

For the trailing 12-month period ending in September 2017, net absorption totaled 8,949 units, slightly greater than the number of new units delivered, resulting in 94.9% metrowide apartment occupancy, the same as one year prior. Over the past year, only the Denver-Southeast submarket recorded negative annual absorption. Of the remaining 22 Denver submarkets, annual net move-ins were the highest in the rapidly developing Downtown Denver area, as 37% of all new leases signed were in Downtown Denver. Developers were equally keen on the downtown area as 41% of all new construction occurred in the submarket.

In Downtown Denver, average asking rent dropped 0.7% to \$1,828 per month. The decrease was not indicative of activity metrowide, as the remaining submarkets all had increases in average asking rent. Average asking rent increased 3.4% to \$1,469 per month, while effective rent increased 3.2% to \$1,463 per month. Concessions remained unchanged at 0.4% of asking rent, 70 basis points below the national average.



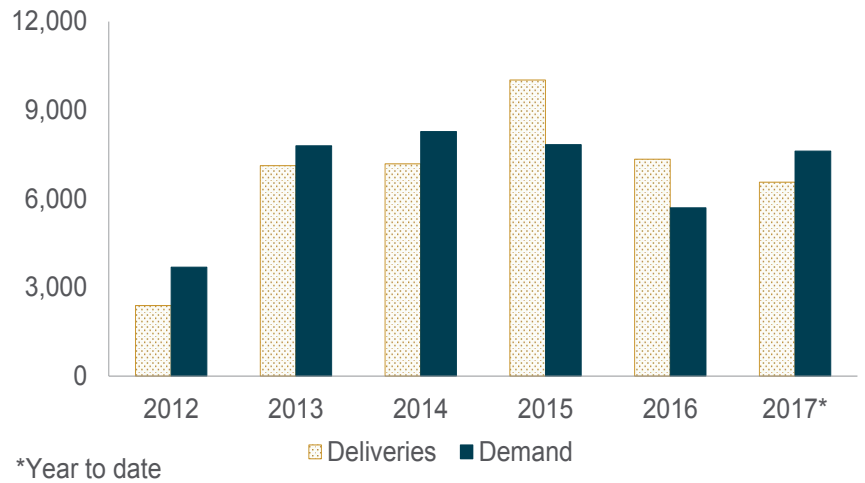
DELIVERIES AND DEMAND



DELIVERIES 6,565
Units YTD



NET ABSORPTION 7,617
Units YTD



ECONOMIC TRENDS

2016 3.1% **UNEMPLOYMENT*** 2017 2.4%
-70 BPS CHANGE

2016 1.44m **EMPLOYMENT*** 2017 1.47m
1.9% CHANGE

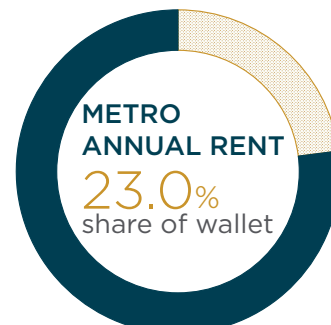
2016 54.2k **EXISTING SFH SALES**** 2017 51.0k
-5.9% CHANGE

2016 \$388.4k **MEDIAN SFH PRICE**** 2017 \$410.1k
5.6% CHANGE

2016 1.63% **10-YEAR TREASURY**** 2017 2.20%
60 BPS CHANGE

*August; **September

Year-over-year employment growth slowed to 1.9% or the equivalent of 27,100 jobs over the 12-month period ending in August 2017, down 140 basis points over the previous 12-month period. Despite the slowdown, employment gains still exceeded the national growth rate by 50 basis points. The addition of 7,000 jobs in the trade, transportation, and utilities sector was buoyed by Amazon.com Inc. adding 1,000 workers at its Aurora fulfillment center, the company's first Colorado-based center. Denver-based Frontier Airlines added 300 employees as the company established a new flight attendant base at Denver International Airport. British Petroleum (BP) began hiring for the company's Downtown Denver Lower 48 Onshore Division headquarters in August. Multiple large-scale developments underway in metro Denver led to the hiring of 1,200 construction workers including 350 by Kiewit-Meridiam Partners, the contractor building the \$1.2 billion expansion of Interstate 70. Of the seven sectors reporting annual job gains, all expanded by at least 1,300 workers.



DENVER

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q16	3Q17	3Q16	3Q17	3Q16	3Q17	3Q17	ANNUAL	3Q17	ANNUAL
Arapahoe County	95.6%	95.4%	3.3%	3.8%	\$1,548	\$1,607	130	436	96	475
Arapahoe County/Other	89.8%	94.2%	5.2%	4.2%	\$1,483	\$1,545	-7	156	25	25
Arvada/Broomfield	94.8%	94.6%	1.4%	5.5%	\$1,424	\$1,502	255	556	329	633
Aurora-Central-Southeast	93.2%	94.7%	6.2%	3.3%	\$1,174	\$1,213	-84	156	0	0
Aurora-Central-Southwest	95.4%	95.7%	9.2%	4.1%	\$1,212	\$1,263	-25	28	0	0
Aurora-North	94.8%	95.0%	1.6%	6.8%	\$1,175	\$1,255	-35	27	0	0
Aurora-South	93.8%	94.1%	3.2%	3.2%	\$1,410	\$1,456	258	610	391	568
Denver County	93.1%	94.3%	0.5%	4.6%	\$1,408	\$1,473	118	196	126	183
Denver-Central	93.3%	93.6%	7.7%	2.5%	\$1,851	\$1,898	387	393	222	342
Denver-Downtown	93.8%	93.6%	2.1%	-0.7%	\$1,841	\$1,828	1,163	3,286	1,301	3,563
Denver-Far Southeast	94.7%	95.8%	0.7%	4.1%	\$1,204	\$1,254	-66	142	0	0
Denver-Northeast	93.0%	93.9%	4.8%	1.8%	\$1,401	\$1,426	-56	107	0	0
Denver-South/Glendale	95.4%	95.5%	3.4%	2.7%	\$1,536	\$1,578	220	290	206	288
Denver-Southeast	94.6%	94.2%	0.6%	4.8%	\$1,313	\$1,376	-33	-83	0	0
Douglas County	93.6%	94.1%	3.3%	3.5%	\$1,510	\$1,563	110	942	253	908
Englewood/Sheridan	97.5%	96.2%	6.9%	3.9%	\$1,399	\$1,454	44	172	0	264
Gilpin County	95.7%	98.8%	15.9%	11.1%	\$1,051	\$1,168	0	7	0	0
Jefferson County	94.2%	94.4%	1.8%	2.5%	\$1,592	\$1,632	-48	13	0	0
Lakewood-North	94.7%	94.9%	10.4%	3.5%	\$1,289	\$1,334	269	345	336	336
Lakewood-South	94.4%	95.1%	2.5%	3.3%	\$1,407	\$1,453	35	391	116	237
Littleton	91.0%	94.1%	0.1%	5.0%	\$1,436	\$1,508	-41	246	0	0
Northglenn/Thornton	97.7%	95.6%	0.7%	4.4%	\$1,296	\$1,352	120	183	84	487
Westminster	94.4%	94.7%	4.4%	3.3%	\$1,324	\$1,367	-102	348	0	326
TOTALS	94.9%	94.9%	2.7%	3.4%	\$1,420	\$1,469	2,613	8,949	3,485	8,635



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